

Message Text

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TAGS: ELAB, UY

SUBJECT: AIFLD PROGRAM - TERMINATION OF

REF: STATE 130686

1. UPON RECEIPT OF REFTEL I MET WITH EMBASSY INTERESTED PARTIES AND ALVA MOORE OF AIFLD IN ORDER TO AGREE ON STRATEGY BEFORE EXECUTION OF THE INSTRUCTION TO CLOSE OUT THE AIFLD PROGRAM AND TO LAY GROUNDWORK FOR THE INAUGURATION LATER OF THE KIND OF FOLLOW ON PROGRAM DESCRIBED THEREIN. FOLLOWING THAT MEETING IN WHICH PROCEDURE WAS AGREED UPON I REQUESTED A MEETING WITH MINISTER OF LABOR.

2. ACCOMPANIED BY LABOR ATTACHE GUERRIERO, I MET WITH LABOR MINISTER ETCHEVERRY STIRLING JUNE 6. LABOR SUB-SECRETARY BAEZA WAS ALSO PRESENT.

3. I BEGAN BY RECALLING MY MEETING WITH THE LABOR MINISTER IN LATE JULY LAST YEAR WHEN I HAD EXPLAINED TO HIM (MVD 2094) THE CONCERNS WHICH WE THEN HAD REGARDING THE AIFLD PROGRAM, THE DEVELOPMENTS IN THE WEEKS IMMEDIATELY PRIOR TO THAT MEETING WHICH HAD PRODUCED A SITUATION OF CONCERN TO THE EMBASSY, AND THE DECISION THEN REACHED BY THE USG TO CONTINUE THE PROGRAM FOR AN ADDITIONAL PERIOD AFTER WHICH A FINAL DECISION WOULD BE MADE. THE MINISTER SAID HE REMEMBER THE DETAILS OF THAT MEETING.

4. I THEN PROCEEDED TO SAY THAT I PERSONNALLY HAD DISCUSSED THE CONFIDENTIAL

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AIFLD PROGRAM IN WASHINGTON LAST SEPTEMBER AND AGAIN IN JANUARY, AND THAT THESE DISCUSSIONS HAD BEEN FOLLOWED BY A THOROUGH REVIEW OF THE PROGRAM BOTH HERE AND IN WASHINGTON. I SAID THAT IT HAD BEEN IN CONNECTION WITH THIS MOST RECENT REVIEW THAT I HAD AGAIN

VISITED WASHINGTON LAST MONTH. AS A RESULT OF ALL THESE CONSIDERATIONS I SAID THE USG HAD REACHED A DECISION TO TERMINATE THE AIFLD PROGRAM IN URUGUAY, OF WHICH I WAS NOW GIVING OFFICIAL NOTIFICATION, AND THAT STEPS WERE NOW BEING TAKEN TO ACCOMPLISH THIS BY AUGUST 31 OF THIS YEAR.

5. I THEN PROCEEDED TO EXPLAIN IN CONSIDERABLE DETAIL THE REASONS FOR OUR GOVERNMENT'S CONCERN, GIVING PARTICULAR EMPHASIS TO EVOLUTIONARY DEVELOPMENTS IN LATIN AMERICA IN THE YEARS SINCE THE AIFLD PROGRAM WAS INITIATED. I ALSO STRESSED DEVELOPMENTS WITH RESPECT TO U.S. POLICY IN TERMS OF ELIMINATING PATERNALISM AND INTERVENTION AND NOTED THE CLOSE EMBASSY INVOLVEMENT IN THE DEVELOPMENT AND EXECUTION OF THE AIFLD PROGRAM, AS AIFLD ACTS AS A CONTRACTOR OF AID AND IN MANY RESPECTS ALMOST AS AN ADJUNCT OF THE EMBASSY ITSELF. IN THIS REGARD I SAID THAT BECAUSE LABOR IS ONE OF THE MOST SENSITIVE AND IMPORTANT ELEMENTS OF THE DOMESTIC POWER STRUCTURE OF A COUNTRY WE HAD REACHED THE CONCLUSION THAT THERE CAN BE UNDESIRABLE ASPECTS, IN TERMS OF PATERNALISM AND INTERVENTION, OF SUCH AN INTIMATE USG INVOLVEMENT IN THE SECTOR. I SAID THAT SINCE LABOR'S ROLE IN L.A. OFTEN HAS A STRONG POLITICAL IMPACT EMBASSY INVOLVEMENT WITH LABOR ACTION PROGRAMS COULD BE AS INAPPROPRIATE AS EMBASSY INVOLVEMENT WITH POLITICAL PARTY DEVELOPMENT AND PROGRAMS. I NOTED ALSO THE POSSIBILITY OF DIFFICULTIES ARISING BETWEEN OUR GOVERNMENTS SHOULD LABOR ELEMENTS SUPPORTED BY AIFLD BECOME INVOLVED IN CONFRONTATIONAL SITUATIONS, WHETHER THIS BE FOR ISSUES RELATING TO LABOR ACTION OR CONCEPTUAL ISSUES AS TO THE NATURE AND ROLE OF LABOR IN A GIVEN SOCIETY.

6. I CONTINUED TO SAY THAT WHILE WE HAD DECIDED TO TERMINATE AIFLD AS SUCH, ALL PARTIES CONCERNED WERE SENSITIVE TO THE IMPORTANCE OF ENCOURAGING THE DEVELOPMENT OF NON-COMMUNIST, DEMOCRATIC LABOR IN FRIENDLY COUNTRIES IN WAYS WHICH WOULD NOT INCLUDE DIFFICULTIES OF EMBASSY INVOLVEMENT AS INDICATED ABOVE. I THEN DESCRIBED OUR PROPOSAL TO PRE-PROGRAM CERTAIN ASPECTS OF THE AIFLD PROGRAM TO BE CARRIED OUT IN AN INTERIM PERIOD AFTER WHICH AN AMERICAN TRADE UNION PROGRAM, TOTALLY INDEPENDENT OF ANY CONFIDENTIAL

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TIES WITH THE U.S. EMBASSY, COULD BE GRADUALLY INTRODUCED TO TAKE THE PLACE OF THE AIFLD PRESENCE. THIS, I SAID, WOULD DEPEND UPON THE WILLINGNESS OF THE URUGUAYAN LABOR MOVEMENT AND GOVERNMENT TO RECEIVE AND COOPERATE WITH AN AMERICAN TRADE UNION REPRESENTATIVE; BUT I EXPRESSED CONFIDENCE THAT THE GOU WOULD PERCEIVE THAT SUCH A PROGRAM COULD BE DEVELOPED TO HAVE AT LEAST EQUAL AND PROBABLY MORE BENEFICIAL EFFECTS THAN THE AIFLD PROGRAM AS PRESENTLY CONSTITUTED, BUT WITHOUT THE KIND OF DEFECTS I HAD DESCRIBED. IN THE FUTURE, I SAID, SUCH A TRADE UNION REPRESENTATIVE COULD BE PRESENT IN URUGUAY UNDER CONDITIONS NO DIFFERENT FROM THOSE WHICH GOVERNED THE PRESENCE HERE OF OTHER PRIVATE AMERICANS WHETHER THEY REPRESENTED BUSINESS, PHILANTHROPIC ORGANIZATIONS, RELIGIOUS GROUPS ETC. HE WOULD BE ENTIRELY INDEPENDENT OF THE

EMBASSY EXCEPT FOR HAVING THE SAME RIGHTS TO PROTECTION IN GIVEN CIRCUMSTANCES AS WOULD ANY AMERICAN RESIDENT HERE. HE WOULD HOLD HIMSELF OUT AT ALL TIMES TO BE A REPRESENTATIVE OF THE AMERICAN TRADE UNION MOVEMENT AND NOT IN ANY WAY OF THE USG. IN THIS WAY, I SAID, HE WOULD GIVE POSITIVE EXPRESSION TO THE FRATERNAL INTEREST WHICH UNITES LABOR MOVEMENTS AS WELL AS POSITIVE SUPPORT TO THOSE NON-COMMUNIST ELEMENTS OF URUGUAYAN LABOR WHICH ARE STRUGGLING TO DEVELOP LABOR AS A CONSTRUCTIVE FORCE IN URUGUAYAN SOCIETY. I WAS CAREFUL TO POINT OUT THAT THIS FUTURE PROGRAM WOULD BE FACILITATED FINANCIALLY BY THE USG THROUGH AN AID GRANT TO AIFLD-AFL/CIO IN WASHINGTON AND THAT THIS FINANCIAL ASPECT WOULD NOT IN ANY SENSE BE COVERT. IT WOULD BE THE RESPONSIBILITY, I SAID, OF THOSE CARRYING OUT THE FUTURE PROGRAM TO SATISFY THE USG IN WASHINGTON THAT THE MONEY WAS BEING USED FOR THE PURPOSES INTENDED. BUT AT THIS END, I SAID, THE PROGRAM WOULD BE ENTIRELY INDEPENDENT, WITH NO CONTROL OR EVEN PARTICIPATION BY THE EMBASSY. I STRESSED THAT WE LOOKED UPON THIS AS AN IMPORTANT AND ESSENTIAL ELEMENT OF THE FUTURE ACTIVITY. BY WAY OF ILLUSTRATION I NOTED THAT THOSE IN THE FUTURE PROGRAM WOULD NO LONGER HAVE EMBASSY PRIVILEGES OF ANY KIND, OR GO TO LABOR ORGANIZATIONAL OR PROMOTIONAL ACTIVITIES IN AUTOMOBILES BEARING DIPLOMATIC PLATES ETC. I SAID, ALSO, THAT THEY WOULD COME HERE WITH ORDINARY PASSPORTS LIKE ANY OTHER CITIZEN AND THAT IT WOULD BE THEIR OWN RESPONSIBILITY ENTIRELY TO ESTABLISH THEIR RELATIONSHIP WITH THE URUGUAYAN GOVERNMENT AND WITH THE URUGUAYAN NON-COMMUNIST LABOR MOVEMENT.

7. THE MINISTER LISTENED WITH GREAT ATTENTION TO MY PRESENTATION AND IMMEDIATELY ASKED WHETHER URUGUAY WAS BEING SINGLED OUT CONFIDENTIAL

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FOR SPECIAL TREATMENT.

8. IN REPLY I SAID THAT USG CONCERNS WITH THE CONTINUED APPLICABILITY OF THE AIFLD PROGRAM WERE NOT LIMITED TO URUGUAY BUT WE WERE FARTHER ADVANCED HERE IN OUR THINKING AS TO THE FUTURE. I SAID THAT FOR A VARIETY OF REASONS THE PROGRAM HAD BEEN TERMINATED IN ARGENTINA AND PERU, AMONG OTHERS, AND THAT IT HAD BEEN REDUCED OR MODIFIED IN OTHERS. AS A RESULT, OF OUR STUDY OF THE URUGUAYAN PROGRAM AND THE IDEAS I HAD OUTLINED IT HAD NOW BEEN DECIDED THAT THE SAME KIND OF STUDY WILL BE UNDERTAKEN ON A REGIONAL BASIS OF THE PROGRAMS EVERYWHERE IN LATIN AMERICA. I ADDED THAT OUR EXPERIENCE WITH THE NEW FORMAT IN URUGUAY WOULD BE CAREFULLY WATCHED AS A POSSIBLE EXAMPLE FOR ADOPTION ELSEWHERE IN LATIN AMERICA.

9. THE MINISTER THEN SAID THAT HE UNDERSTOOD THE REASONS FOR THE DECISION WHICH HAD BEEN MADE AND ALSO OUR DESIRE TO DEVELOP A NEW KIND OF PROGRAM WHICH COULD BE EFFECTIVE YET WITHOUT THE PROBLEMS OF THE PRESENT FORMAT WHICH CONCERN US. AS TO THIS, HOWEVER, HE SAID HE COULD NOT EXPRESS ANY OFFICIAL REACTION UNTIL HE HAD HAD OPPORTUNITY TO DISCUSS IT WITH INTERESTED PERSONS INCLUDING THE PRESIDENT WHICH HE SAID HE WOULD DO AT THE EARLIEST

OPPORTUNITY. HE ALSO NOTED THAT URUGUAY MAY BE FACED WITH DIFFICULTY MOMENTS IN THE ILO CONFERENCE SCHEDULED FOR LATER THIS MONTH AND THAT DEVELOPMENTS THERE MAY HAVE AN IMPACT ON WHAT WILL HAPPEN IN LABOR HERE IN THE FUTURE. HE EMPHASIZED ESPECIALLY THAT THE GOU IS DETERMINED THAT URUGUAYAN LABOR WILL NEVER AGAIN BE DOMINATED BY COMMUNISTS IN THE SERVICE OF FOREIGN INTERESTS AND THAT EVERYTHING DONE IN THE LABOR FIELD WILL BE AIMED AT STRUCTURING MOVEMENT SATISFACTORY TO LABOR AND NATIONAL INTERESTS BUT ABLE TO PREVENT MARXIST PENETRATION AND DOMINATION. IN RESPONSE I SAID THAT MY GOVERNMENT FULLY SHARED THE GOU'S DESIRE TO PREVENT INTERNATIONAL-COMMUNIST DOMINATION OF THE LABOR MOVEMENT. I ADDED THE RATIONALE OF THE AIFLD EFFORT HAS ALWAYS BEEN TO SO STRENGTHEN DEMOCRATIC, NON-COMMUNIST LABOR THAT THIS DANGER WOULD BE REDUCED AND IF AT ALL POSSIBLE ELIMINATED. I ALSO POINTED OUT THAT THE USG HAS TAKEN STEPS RECENTLY TO SHOW ITS UNDERSTANDING OF THE OVERALL PROBLEMS WHICH URUGUAY IS NOW DEALING AND ITS SYMPATHETIC INTEREST IN BEING OF APPROPRIATE ASSISTANCE. I NOTED THAT FOREIGN MINISTER BLANCO HAD BEEN ONE OF THE FEW RECEIVED BY SECRETARY KISSINGER IN PRIVATE AUDIENCE DURING A RECENT VISIT TO WASHINGTON; THAT

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WE HAD RECENTLY INFORMED THE GOVERNMENT OF EXTENSIVE CREDIT FINANCING FOR IMPORTANT MILITARY MODERNIZATION PROGRAMS; AND, THAT I LOOK FORWARD TO THE PLEASURE, PROBABLY IN JULY, OF SIGNING TWO AID LOANS WITH PRESIDENT BORDABERRY WHICH WE FEEL CAN HELP SUBSTANTIALLY THE GOVERNMENT'S EFFORTS IN AGRICULTURAL-ECONOMIC FIELD. BEYOND THIS, I SAID, WE ALSO HAVE HOPES OF AN EVEN LARGER AID LOAN TO SUPPORT AGRI-INDUSTRY DEVELOPMENT. ALL OF THIS, I SAID, DEMONSTRATES THE BROAD, SYMPATHETIC INTEREST OF THE USG IN URUGUAY, AND IT IS IMPORTANT TO CONSIDER OUR DECISION WITH RESPECT TO AIFLD IN THIS CONTEXT IN ORDER TO HAVE THE RIGHT PERSPECTIVE. I EXPRESSED MY PERSONAL BELIEF THAT THE NEW FORMULA, IF ACCEPTED BY THE URUGUAYAN LABOR MOVEMENT AND THE GOVERNMENT, WOULD EVENTUALLY DEVELOP INTO AN EVEN MORE EFFECTIVE PROGRAM AND THAT ALL WOULD BE BENEFITED THEREBY.

10. I ENDED THE MEETING BY ASSURING THE MINISTER THAT WE WOULD KEEP HIM CLOSELY ADVISED AS TO THE STEPS WHICH WE WOULD BE TAKING TO BRING THE PRESENT PROGRAM TO A CLOSE.

11. GDS.
SIRACUSA

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